

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0730-01
Bill No.: HB 240
Subject: Elections
Type: Original
Date: February 11, 2015

Bill Summary: This proposal requires a person to submit a specified form of photo identification in order to vote in a public election.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0	\$0 or Unknown to (\$6,248,638)	\$0 or Unknown to (\$3,060,811)
Total Estimated Net Effect on General Revenue	\$0	\$0 or Unknown to (\$6,248,638)	\$0 or Unknown to (\$3,060,811)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Children's Trust	\$0	\$0 or Unknown	\$0 or Unknown
Endowed Care Cemetery Audit	\$0	\$0 or Unknown	\$0 or Unknown
Missouri Public Health Service	\$0	\$0 or Unknown	\$0 or Unknown
Highway	\$0	\$0 or \$1,008,373	\$0 or \$581,674
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 or Unknown Greater than \$1,008,373	\$0 or Unknown Greater than \$581,674

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 15 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	0 FTE	0 or 4 FTE	0 or 4 FTE
Total Estimated Net Effect on FTE	0 FTE	0 or 4 FTE	0 or 4 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0 or Unknown Greater than \$336,125	\$0 or Unknown Greater than \$193,892

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume, for the purpose of the fiscal note, all costs would be appropriated from the General Revenue Fund. DOR assumes the administrative impact of this proposal is as follows:

Driver License Bureau (DLB)

The proposed changes will require drafting updates to web site information related to nondriver licenses for voting purposes, updating office procedures, developing a format for nondriver license for voting purposes affidavit and developing a reporting form. Additionally, the Missouri Electronic Driver License system would need changing to define changes to issuance periods for a no cost driver license or nondriver license for voting and completion of end-user testing by our internal staff. This will require overtime from existing staff in order to perform the testing. See below:

FY 17

Update Web Page - Administrative Analyst III	10 hrs @ \$23.00 = \$ 230
Develop Affidavit - Management Analysis Spec I	40 hrs @ \$21.00 = \$ 840
Develop Procedures - Management Analysis Spec I	40 hrs @ \$21.00 = \$ 840
	Total = \$1,910

Requirements and procedures development and end user testing by DLB:

Administrative Analyst -	160 hrs @ \$29.00(1 1/2) per hr = \$4,640
Management Analyst Specialist II -	240 hrs @ \$24.00 per hr = \$5,760
Revenue Band Manager II -	40 hrs @ \$31.00 per hr = \$1,240
	Total = \$11,640

Oversight assumes DOR is provided with core funding to handle a certain amount of procedure updating activity each year and will not reflect these costs in the fiscal note.

To determine an estimated number of potential applicants who may be eligible for a nondriver (photo identification) at no cost, DOR compared the voter records on file with the Office of the Secretary of State (SOS) to the current document holders on record with DOR. This comparison was completed in March 2009. According to SOS on January 6, 2012, the 2009 numbers have not statistically changed.

ASSUMPTION (continued)

253,496	Estimated number of individuals registered to vote who do not have photo identification on file with the Department of Revenue as of March 2009.
<u>125,795</u>	Estimated number of individuals with an expired photo identification document on file with the Department of Revenue, who may need to obtain an updated nondriver license for voting purposes
379,291	Total estimated number of those who may be eligible for a nondriver license (photo identification) document at no cost.
<u>x 50%</u>	Estimated number of individuals who would apply for a nondriver license for voting purposes (based on average voter turnout for Missouri (derived from 2006 information).
189,645	Potential nondriver license applicants in the first year of implementation FY 17
189,646	Remaining number of registered voters who may be eligible for a photo identification document after first year of implementation. Based on 2009 counts.
<u>÷ 2</u>	
94,823	Estimated number of registered voters who may apply during subsequent fiscal years (FY2018).

In addition, because the language allows a person to apply for a nondriver license at no cost by signing an affidavit indicating they do not have a valid photographic identification document, applicants who have held a document previously and have lost it, allowed it to expire, or other reasons, may now obtain a nondriver license at no cost.

137,750	Total new, renewal and duplicate nondriver licenses issued in FY 2013
<u>x 25%</u>	Estimated number of applicants with prior document on file that would utilize the affidavit for a new, renewal or duplicate nondriver license, indicating they do not have any other acceptable form of photographic identification for voting purposes, making them eligible for a nondriver license at no cost to the applicant.
34,438	Estimated annual nondriver license applicants with prior document on file.

Licensing Cost

FY 2017

189,645	Potential nondriver license applicants first year of implementation FY2017
<u>34,438</u>	Estimated annual nondriver license applicants (previous document)
224,083	Total
<u>x \$2.25</u>	Cost per card of \$1.81 and mailing cost of \$0.44 per card
\$504,187	Total estimated vendor cost FY 2017 for licensing material and mailing costs

ASSUMPTION (continued)

FY 2018

94,823	Estimated number of current registered voters who may apply during subsequent fiscal years FY 2018
<u>34,438</u>	Estimated annual nondriver license applicants (previous document)
129,261	Total
x \$2.25	Cost per card of \$1.81 and mailing cost of \$0.44 per card
\$290,837	Total estimated vendor cost FY 2018 for license document materials and mailings costs

Direct Public Inquiries

While SOS is responsible for notifying individuals of the requirement to obtain photo identification for voting purposes, it is assumed that the majority of inquiries would be directed to the DOR as the document issuing agency.

Estimating a 50% potential applicant inquiry, DOR assumes that approximately 112,042 ((189,645 + 34,438)/2) inquiries through the central office will be received during the first implementation year and approximately 64,631 (94,823 + 34,438/2) calls in subsequent years. To provide the best call-in service for Missouri citizens DOR will need to add 4 FTE to handle the additional telephone inquiries.

112,042	Total potential applicants/inquiries first year of implementation.
÷ 264	Total days of service per annual period
424	
÷ 100	Estimated # of calls expected to be handled per FTE
4	Estimated # of FTEs required to handle increased call volume FY 2017

Oversight has, for fiscal note purposes only, changed the starting salary for the four Revenue Processing Technicians I (\$25,884) to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees over the last six months and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight assumes the election will occur in November 2016 (FY 2017) and therefore, Oversight will show the FTE costs starting in Fiscal Year 2017, to allow the Department of Revenue to begin the implementation of this proposal.

Officials at the **OA- Information Technology Services Division** assume modifications will need to be made in the amount of 1,330 hours at a cost of \$106,920.

ASSUMPTION (continued)

Revenue Impact

Officials at **DOR** assume the revenue impact of this proposal states "the total cost associated with nondriver's license photo identification under this subsection shall be borne by the state of Missouri from funds appropriated to the department of revenue for that specific purpose".

For purposes of this fiscal note DOR assumes this includes only the nondriver license (NDL) cost under §302.181 and does not include the office processing fee allowed under §136.055 payable to the license offices. It is assumed DOR would be required to develop a tracking and processing fee distribution for each nondriver license issued for voting purposes under this proposal depending on the definition of 'total cost', the revenue impact could be increased or decreased.

FY 2017

244,083	Total Estimated NDL applicants FY 2017
x \$6.00	Nondriver License Fee
\$1,344,498	Total estimated potential loss of revenue in FY 2017

FY 2018

129,261	Total estimated NDL applicants FY 2018
x \$6.00	Nondriver License Fee
\$775,566	Total estimated potential loss of revenue in FY 2018

DOR will have to reimburse the license offices the loss in revenue from processing fees. The estimated initial loss in license office processing fees, which would have to be reimbursed to the offices by the State of Missouri, is shown below.

FY 2017

244,083	Total Estimated NDL applicants FY 2017
x \$5.00	Nondriver License Processing Fee
\$1,120,415	Total estimated potential loss of revenue in FY 2017

FY 2018

129,261	Total estimated NDL applicants FY 2018
x \$5.00	Nondriver License Processing Fee
\$646,305	Total estimated potential loss of revenue in FY 2018

ASSUMPTION (continued)

Officials at the **Department of Health and Senior Services (DHSS)** assume the proposed legislation requires voters to establish their identity and eligibility to vote by providing a form of personal identification to election officials. If an individual does not possess a valid form of personal identification, it may require them to obtain a copy of his/her certified birth certificate to acquire a driver's or non-driver's license. For individuals whose birth has not been recorded, it may cause them to apply for a delayed birth certificate. It is unknown and difficult to estimate the number that might be required to apply to the Bureau of Vital Records for these records.

The proposed legislation also requires the state to provide at least one form of identification required to vote at no cost to any qualified citizen who does not already possess such identification and desires to do so to vote. The proposed legislation does not appear to exempt the DHSS from collecting the necessary fees for copies of certified birth certificates as set forth in §193.265.1, RSMo. DHSS collects a \$15 fee for each birth certificate requested. This proposal could result in an unknown increase in revenue to General Revenue (\$4 of \$15), the Children's Trust Fund (\$5 of \$15), the Endowed Care Cemetery Audit Fund (\$1 of \$15), and the Missouri Public Health Service Fund (\$5 of \$15). The proposed legislation could also result in an unknown impact to the Bureau of Vital Records to issue the increased demand for birth certificate records.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

SOS assumes implementation of these new identification provisions would require the state's election authority (SOS) and/or local election authorities to provide advance notice of the personal identification documents required to vote. The advance notice provided by the election

ASSUMPTION (continued)

authorities would include at a "minimum the use of advertisements and public service announcements in print, broadcast television, radio, and cable television media."

For fiscal year 2017 advance notice advertisements will be provided upon approval by the voters of the constitutional amendment and enactment of implementing legislation and prior to the April 2017 election. For fiscal year 2018, prior to the February and April 2018 elections, advance notice advertisements will be provided to voters . For fiscal year 2019 advance notice advertisements will be provided to voters prior to the August 2018 and November 2018 elections. For all subsequent years advance notice advertisements will be provided to voters prior to each federal primary and general election.

Assumptions include:

Production of radio and TV public service announcements-	\$2,000
Print ad to run twice before an election-	\$203,284
Cable television ad to run twice everyday for eight weeks-	\$299,472
TV and Radio ad to run through broadcast media-	<u>\$497,311</u>
Total-	\$1,002,067

Oversight assumes advance notice advertisements will only be sent once for the municipal elections.

Upon enactment of implementing legislation, **SOS** will send a mailer to all registered voters to notify them of the new identification requirements at a cost of \$2,003,628. A similar mailer will be sent before the 2018 Primary Election. For all other elections, the SOS will send mailings to newly registered voters prior to each election. Based on the estimated 355,007 newly registered voters in 2014, this mailer could cost \$173,953.

Mailing to all registered voters:

4,089,038 registered voters x \$0.49 postage, printing and processing= \$2,003,628

Mailing to newly registered voters prior to each election:

355,007 new registered voters x \$0.49 postage, printing and processing = \$173,953

Implementation of this proposal's provisions imposes new requirements on election authorities in notifications, additional provisional ballots, trainings, affidavits and processes with regard to notifying and processing voters. Whether the notice requirements falls on SOS or local election authorities, mandating reimbursement of these new costs, it will be necessary for SOS to request appropriation for these costs. §115.430, RSMo requires SOS to provide provisional ballot

ASSUMPTION (continued)

envelopes to local election authorities. This bill and any companion joint resolution will increase the number of elections in which provisional ballots are available and the number of provisional ballots that will be cast. Based on previous history, the Secretary of State will require additional funding for printing provisional ballot envelopes in the amount of \$9,800 per election.

The new photo identification requirements are not limited to statewide elections but will affect every election. The cost per fiscal year will vary based on the number of elections held. In addition to the general municipal election each April and the primary and general elections in August and November of even numbered years, there are additional days available for public elections in February, March and in August and November of odd numbered years, which are used only as needed.

Officials at the **Office of Administration's Division of Budget and Planning (BAP)** assume no fiscal impact from this proposal to BAP. However, two provisions in this proposal may result in additional General Revenue expenditures. BAP defers to the Office of the Secretary of State, the Department of Revenue and the Department of Health and Senior Services for the estimate of these General Revenue expenses.

Officials at the **Jackson County Board of Election Commission** assume the impact of this proposal would be \$100-\$1,000 for the reprinting of current publications and forms relating to acceptable forms of identification.

Officials at the **Platte County Board of Election Commission** assume printing provisional ballots would cost: FY2016 - \$250, FY2017 - \$1,200, FY2018 - \$250.

Officials at the **St. Louis County Board of Election Commission**, the **Lincoln County Clerk's Office**, and the **Monroe County Clerk's Office** assume no fiscal impact.

Oversight assumes this enabling legislation would only become effective if a joint resolution is adopted by a statewide vote of the people.

Oversight assumes that SOS is required to pay for the provisional ballots and therefore the local election authorities would have no additional costs from this provision of this proposal.

Oversight assumes this proposal requires a vote of the people to become effective. Oversight assumes that election will be held in August 2016 or November 2016, at the next regularly scheduled statewide primary or the next scheduled general election and therefore the earliest elections affected by this proposal, if passed, are in FY 2017.

ASSUMPTION (continued)

The proposal states that "the state shall provide at least one such form of the personal identification required to vote at no cost to any otherwise qualified citizen who does not already possess such identification and who desires the identification in order to vote."

Oversight assumes that since the proposal requires the State to pay the legally required fees for a person to get a nondriver's license photo identification then General Revenue will make the fee payments to the Highway Fund, Cities and Counties. Oversight is showing the cost of the nondriver's license fee as a cost to General Revenue. The nondriver's license fee is split between the State Highway Fund, Cities and Counties.

Oversight will range the fiscal impact from \$0 (either rejected by voters or no appropriation is made by the General Assembly for this purpose as required by §115.427.2) to the estimates provided by DOR and SOS.

Oversight assumes no cost to local governments from this proposal. The legislation specifically states that if no money is appropriated for the funding of the photo ID requirement to vote that it shall not be enforced.

Officials at the following boards of election commission: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, and Clay County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Marion, McDonald, Miller, Moniteau, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
		\$0 or ...	\$0 or ...
<u>Revenue</u> - DHSS Fees for Birth Certificates (\$4 of \$15 fee)	\$0	Unknown	Unknown
<u>Cost</u> - Dept of Revenue/OA-ITSD computer programming changes	\$0	(\$106,920)	\$0
<u>Transfer Out</u> - Dept of Revenue - reimbursement of the NDL fee paid to the Highway fund, Cities & counties that the State must pay	\$0	(\$1,344,498)	(\$775,566)
<u>Transfer Out</u> - Dept of Revenue - revenue office processing fee reimbursement to fee offices	\$0	(\$1,120,415)	(\$646,305)
<u>Cost</u> - Dept of Revenue			
Personal Service	\$0	(\$86,280)	(\$104,571)
Fringe Benefits	\$0	(\$44,870)	(\$54,382)
Expense and Equipment	\$0	(\$25,972)	(\$3,330)
Licensing Materials/Vendor NDL card	\$0	(\$504,187)	(\$290,837)
<u>Total Cost</u> - Dept of Revenue	\$0	(\$661,309)	(\$453,120)
FTE Change - DOR	0 FTE	4 FTE	4 FTE
<u>Cost</u> - Secretary of State - advertising			
Provisional Ballots	\$0	(\$9,800)	(\$9,800)
Public Service Announcements	\$0	(\$1,002,067)	(\$1,002,067)
Mailings to Voters	\$0	(\$2,003,629)	(\$173,953)
<u>Total Costs</u> - SOS	\$0	(\$3,015,496)	(\$1,185,820)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0	\$0 or Unknown to (\$6,248,638)	\$0 or Unknown to (\$3,060,811)
Estimated Net FTE Effect on General Revenue	0	0 or 4 FTE	0 or 4 FTE

FISCAL IMPACT - State Government
 (continued)

FY 2016

FY 2017
 (6 Mo.)

FY 2018

CHILDREN'S TRUST FUND

Revenue - DHSS Fees for Birth
Certificates (\$5 of \$15)

\$0 \$0 or Unknown \$0 or Unknown

**ESTIMATED NET EFFECT ON
 CHILDREN'S TRUST**

\$0 **\$0 or Unknown** **\$0 or Unknown**

**ENDOWED CARE CEMETERY
 AUDIT FUND**

Revenue - DHSS Fees for Birth
Certificates (\$1 of \$15)

\$0 \$0 or Unknown \$0 or Unknown

**ESTIMATED NET EFFECT ON
 ENDOWED CARE CEMETERY
 AUDIT FUND**

\$0 **\$0 or Unknown** **\$0 or Unknown**

**MISSOURI PUBLIC HEALTH
 SERVICE**

Revenue - DHSS Fees for Birth
Certificates (\$5 of \$15)

\$0 \$0 or Unknown \$0 or Unknown

**ESTIMATED NET EFFECT ON
 MISSOURI PUBLIC HEALTH
 SERVICE**

\$0 **\$0 or Unknown** **\$0 or Unknown**

HIGHWAY FUND

Revenue - Highway - NDL fee (75%)

\$0 \$0 or
\$1,008,373 \$581,674

**ESTIMATED NET EFFECT ON
 HIGHWAY FUND**

\$0 **\$0 or**
\$1,008,373 **\$581,674**

FISCAL IMPACT - Local Government

FY 2016

FY 2017
(6 Mo.)

FY 2018

LOCAL POLITICAL SUBDIVISION FUNDS

Revenue - Local Dept of Health - birth certificate fees (\$15 if birth certificate is obtained at local public health agency)

\$0 \$0 or Unknown \$0 or Unknown

Transfer In - Cities & Counties - reimbursement by General Revenue of NDL fee. (25%)

\$0 \$0 or \$336,125 \$0 or \$193,892

ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISION FUNDS

\$0 or Unknown \$0 or Unknown
Greater than Greater than
\$0 **\$336,125** **\$193,892**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill changes the laws regarding elections by requiring persons wishing to vote in a public election to present specified personal identification to establish their identity and eligibility to vote. Satisfactory forms of identification include a nonexpired Missouri driver's license or nonexpired or nonexpiring Missouri nondriver's license, a document containing the name of the individual that shows a photograph of the individual, or any armed services identification containing a photograph that is not expired or does not have an expiration date.

A person who appears at a polling place without one of the specified forms of personal identification may execute an affidavit that he or she does not possess one of the specified forms because of an inability to pay for birth certificates or other supporting documentation or because he or she was born on or before January 1, 1949. The state and all fee offices must provide one form of the required personal identification at no cost to any otherwise qualified voter who does not already possess the identification and who desires the identification in order to vote. Any person denied the ability to cast a regular ballot because of a lack of photographic identification must be allowed to vote by provisional ballot. The provisional ballot must not be counted unless

FISCAL DESCRIPTION (continued)

the voter returns to the election authority within three days after the election and provides a specified personal identification.

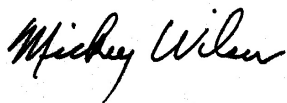
All election authority costs associated with the implementation of the photo identification requirements of these provisions must be reimbursed from general revenue by an appropriation for that purpose. If there is no appropriation, then the identification requirements must not be enforced.

These provisions will become effective only upon the passage and approval by the voters of a constitutional amendment regarding the authorization of photo identification requirements by general law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Revenue
Office of Administration's Division of Budget and Planning
Department of Health and Senior Services
Platte County Board of Election Commission
Monroe County Clerk's Office
Lincoln County Clerk's Office
St. Louis County Board of Election Commission
Jackson Co Board of Election Commission



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